



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 02/11/03
AGENDA ITEM 5
WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Authorization for the City Manager to Execute an Exclusive Negotiating Agreement with Browman Development Co., Inc. for the Ground Lease of Airport Property

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the City Manager to execute the Exclusive Negotiating Agreement with Browman Development Co., Inc.

BACKGROUND:

Browman Development Company (BDC) is a retail oriented development group with an emphasis on redeveloping projects within downtown areas and city gateways. BDC has constructed approximately 1.4 million square feet of retail projects throughout Northern and Central California, and Northeast Washington and continues to maintain ownership of the majority of its projects. The company currently has approximately 650,000 square feet of retail projects in various stages of development in the Bay Area, Sacramento County, Central California and the State of Washington. BDC recently developed the retail portion of the Albertsons redevelopment site adjacent to the City Hall. In addition, BDC owns and manages the Mission Plaza center at Mission and Sorenson.

BDC representatives contacted City staff regarding additional development of the Festival Cinema site on Hesperian Blvd. As Council is aware, this site has recently become available, due to the closure of the theater and termination of the lease. BDC is interested in developing the 9.57-acre site under a long-term ground lease with the City. (See Exhibit A)

The proposed use of the site would be primarily retail. The site would either be developed with one major tenant or as a retail complex consisting of retail and restaurant oriented uses.

TERMS OF AGREEMENT TO NEGOTIATE EXCLUSIVELY:

Based on the discussions to date, it is recommended that an Exclusive Negotiating Agreement be executed between the City and Browman Development Co., Inc. For the next one-hundred eighty (180) days, following execution of the Agreement, Browman will negotiate diligently and in good faith to provide signed agreements with tenants and to develop a ground lease with the City. If the City has not executed a ground lease by the 180th day, or any extension thereof, then the lease shall automatically terminate.

As a condition of the Agreement, Browman will submit a good faith deposit to the City in the amount of thirty thousand dollars (\$30,000). The deposit is refundable during the first 120 days and becomes non-refundable thereafter. However, in the event that Browman and City enter into a ground lease for the designated site, fifteen thousand dollars (\$15,000) will be applied to the annual rent.

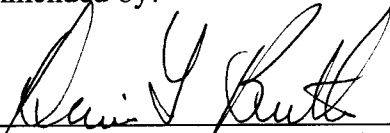
A copy of the Exclusive Negotiating Agreement is available for review in the Office of the City Clerk.

Prepared by:



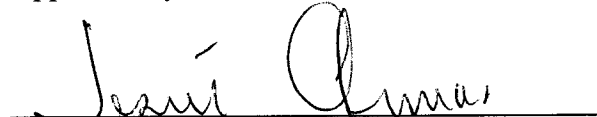
for Brent S. Shiner, Airport Manager

Recommended by:



Dennis L. Butler, Director of Public Works

Approved by:



Jesús Armas, City Manager

Attachment:

Exhibit A: Map of the Site

DRAFT 02/05/03

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE AN EXCLUSIVE NEGOTIATION
AGREEMENT BETWEEN THE CITY OF HAYWARD
AND BROWMAN DEVELOPMENT COMPANY FOR
THE GROUND LEASE OF AIRPORT PROPERTY

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute on behalf of the City of Hayward an Exclusive Negotiating Agreement with Browman Development Company, Inc., for the ground lease of Airport Property.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

GOLF COURSE DRIVE
N 61°43'57"E 605.56

R=20.00
Δ=91°28'36"
L=31.93

R=20.00
Δ=91°28'36"
L=31.93

PARCEL 1
AREA=6.00 ACRES
261,344 S.F.

R=264.00
Δ=44°57'58"
L=207.19

R=264.00
Δ=30°29'07"
L=140.47

R=264.00
Δ=14°28'51"
L=66.72

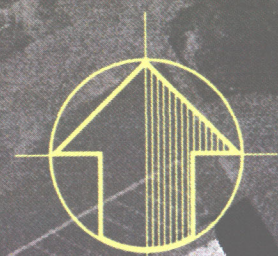
R=20.00
Δ=83°59'35"
L=29.32

PARCEL 3
AREA=1.44 ACRES
62,914 S.F.

R=496.00
Δ=12°04'31"
L=104.53

PARCEL 2
AREA=2.13 ACRES
92,677 S.F.

R=404.00
Δ=48°44'50"
L=343.723



SCALE 1"=100'

EXHIBIT "A"

HESPERIAN BOULEVARD

WEST "A" STREET

N16°45'59"E
111.23

N55°09'05"W 386.00

S64°51'50"W 573.09
385.00

188.08

S34°50'55"W 173.47
134.34

N55°09'05"W 340.34

S25°08'10"E 397.25